

The Courier=Times

Serving Person County Since 1881

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May 21, 2012

Ruth Goldway
Chairman, Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, DC 20268-0001

**Postal Regulatory Commission
Office of the Chairman**

MAY 22 2012

Ms. Goldway,

I first want to thank the United States Postal Service for the fast and accurate delivery of the community newspaper for Roxboro and Person County, North Carolina. Our community has a great set of Postal employees here. I know you and the other management of the Postal Service has a hard task in this economy and changing environment. It is my desire to see the continuance of a profitable and successful United States Postal Service.

I do want to share my opposition to the proposed deal between the Postal Service and Valassis. This deal is unfair to your other customers. It creates an environment where other providers of preprint advertising delivery. The Negotiated Service Agreements have and will cut out the smaller businesses of the preprint delivery business. To continue and expand these agreements is to discriminate against these smaller businesses. The United States Postal Service should treat all it's customers equally.

Our community newspaper already has plenty of competition to the delivery of advertising. Valassis even makes a commission on some of our preprint delivery business. The Postal Service does not need to level the playing field.

Please reconsider the Valassis and all other Negotiated Service Agreements.

Please review these objections to the Valassis Preprint delivery deal:

1. Special contracts between the Postal Service and large national mailers that are directed at the local advertising marketplace are inherently discriminatory and unfair.
- The Valassis contract would require it to carry advertising only for companies with outlets in more than 30 stores and to produce more than 1 million new mail pieces in a year. No community newspaper could achieve such a goal.
- Because USPS's Negotiated Service Agreements to date have each been arranged with a single large company, smaller local companies are shut out of the deals.
- There may be other large marriage mailers who apply for similar contracts, freezing out smaller competitors entirely.
- If the Postal Service loses the newspaper mail in an attempt to capture the Valassis mail, it is likely to see a net loss of business—particularly if Valassis then decides to put its inserts into the private-delivered newspaper.
- If the advertising remains in the mailstream, it will be the same mail piece at a lower price. The net effect of this proposal is not likely to produce a sustained new mail volume for USPS but simply to force lower prices for advertising, leaving USPS direct mail even less competitive.
- USPS' direct attempt to divert advertising from newspapers engenders a hostile relationship with good newspaper customers. Add this Valassis proposal to USPS' existing attempts to get postmasters to sell direct mail to local newspaper advertisers, and you have a pretty negative business relationship.

The Courier-Times is a \$75,000 customer of the United States Postal Service. I appreciate you taking the time to consider my opinion.

Sincerely,



Brinn Clayton
Publisher

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